
SENATE BILL 6296

State of Washington 60th Legislature 2008 Regular Session

By Senators Kilmer, Hobbs, Shin, Franklin, Marr, Sheldon, Kastama, Rasmussen, Kauffman, Keiser, Haugen, and Hatfield

Read first time 01/14/08. Referred to Committee on Economic Development, Trade & Management.

1 AN ACT Relating to increasing job creation and encouraging self-
2 employment in the state; amending RCW 28B.30.530; adding a new section
3 to chapter 82.04 RCW; and creating a new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
6 increase job creation and encourage self-employment in the state by
7 providing comprehensive assistance, training, and support services to
8 entrepreneurs and start-up businesses. It is the purpose of this act
9 to increase the assistance available to small businesses in the state
10 and provide a coordinated, efficient, responsive, and accountable
11 system to support small businesses, microenterprises, and
12 entrepreneurial development.

13 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
14 to read as follows:

15 (1) Subject to the limitations in this section, a credit is allowed
16 against the tax imposed under this chapter for contributions made by a
17 person to the Washington small business development center created in
18 RCW 28B.30.530.

1 (2) The person must make the contribution before claiming a credit
2 authorized under this section. Credits earned under this section may
3 be claimed against taxes due for the calendar year in which the
4 contribution is made. The amount of credit claimed for a reporting
5 period may not exceed the tax otherwise due under this chapter for that
6 reporting period. No person may claim more than one hundred thousand
7 dollars of credit in any calendar year, including credit carried over
8 from a previous calendar year. No refunds may be granted for any
9 unused credits.

10 (3) The maximum credit that may be earned for each calendar year
11 under this section for a person is limited to the lesser of:

12 (a) One hundred thousand dollars; or

13 (b)(i) Through calendar year 2010, an amount equal to one hundred
14 percent of the contributions made by the person to a program during the
15 calendar year;

16 (ii) For calendar years 2011 and 2012, an amount equal to ninety
17 percent of the contributions made by the person to a program during the
18 calendar year; and

19 (iii) For calendar years after 2012, an amount equal to eighty
20 percent of the contributions made by the person to a program during the
21 calendar year.

22 (4) Except as provided under subsection (5) of this section, a tax
23 credit claimed under this section may not be carried over to another
24 year.

25 (5) Any amount of tax credit otherwise allowable under this section
26 not claimed by the person in any calendar year may be carried over and
27 claimed against the person's tax liability for the next succeeding
28 calendar year. Any credit remaining unused in the next succeeding
29 calendar year may be carried forward and claimed against the person's
30 tax liability for the second succeeding calendar year; and any credit
31 not used in that second succeeding calendar year may be carried over
32 and claimed against the person's tax liability for the third succeeding
33 calendar year, but may not be carried over for any calendar year
34 thereafter.

35 (6) Credits are available on a first in-time basis. The department
36 shall disallow any credits, or portion thereof, that would cause the
37 total amount of credits claimed under this section during any calendar
38 year to exceed nine hundred thousand dollars. If this limitation is

1 reached, the department shall notify the small business development
2 center that the annual statewide limit has been met. In addition, the
3 department shall provide written notice to any person who has claimed
4 tax credits in excess of the nine hundred thousand dollar limitation in
5 this subsection. The notice shall indicate the amount of tax due and
6 shall provide that the tax be paid within thirty days from the date of
7 such notice. The department shall not assess penalties and interest as
8 provided in chapter 82.32 RCW on the amount due in the initial notice
9 if the amount due is paid by the due date specified in the notice, or
10 any extension thereof.

11 (7) To claim a credit under this section, a person must
12 electronically file with the department all returns, forms, and any
13 other information required by the department, in an electronic format
14 as provided or approved by the department. Any return, form, or
15 information required to be filed in an electronic format under this
16 section is not filed until received by the department in an electronic
17 format. As used in this subsection, "returns" has the same meaning as
18 "return" in RCW 82.32.050.

19 (8) No application is necessary for the tax credit. The person
20 must keep records necessary for the department to verify eligibility
21 under this section.

22 (9) The small business development center shall provide to the
23 department, upon request, such information needed to verify eligibility
24 for credit under this section, including information regarding
25 contributions received by the program.

26 (10) The department shall not allow any credit under this section
27 before July 1, 2008.

28 **Sec. 3.** RCW 28B.30.530 and 1984 c 77 s 1 are each amended to read
29 as follows:

30 (1) The board of regents of Washington State University shall
31 establish the Washington State University small business development
32 center and such satellite offices as the center deems appropriate.

33 (2) The center shall provide management and technical assistance
34 including but not limited to training, counseling, and research
35 services to small businesses throughout the state. The center shall
36 work with ~~((public and private community development and economic~~
37 ~~assistance agencies and shall work towards the goal of coordinating~~

1 ~~activities with such agencies))~~ the Washington state economic
2 development commission, the department of community, trade, and
3 economic development, the workforce training and education coordinating
4 board, the employment security department, the higher education
5 coordinating board, and the state board for community and technical
6 colleges to:

7 (a) Integrate small business development centers with other state
8 economic development and workforce development programs;

9 (b) Facilitate the development of interinstitutional
10 entrepreneurial education, training, and assistance programs; and

11 (c) Coordinate services to avoid duplication of services.

12 (3) The administrator of the center may contract with other public
13 or private entities for the provision of specialized services.

14 (4) The small business (~~and~~) development center may accept and
15 disburse federal grants or federal matching funds or other funds or
16 donations from any source when made, granted, or donated to carry out
17 the center's purposes. Contributions made to the center under section
18 2 of this act may be used to support satellite offices, increase
19 assistance available to small and start-up businesses, develop new
20 assistance programs, and otherwise carry out the requirements and the
21 purpose of this act.

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